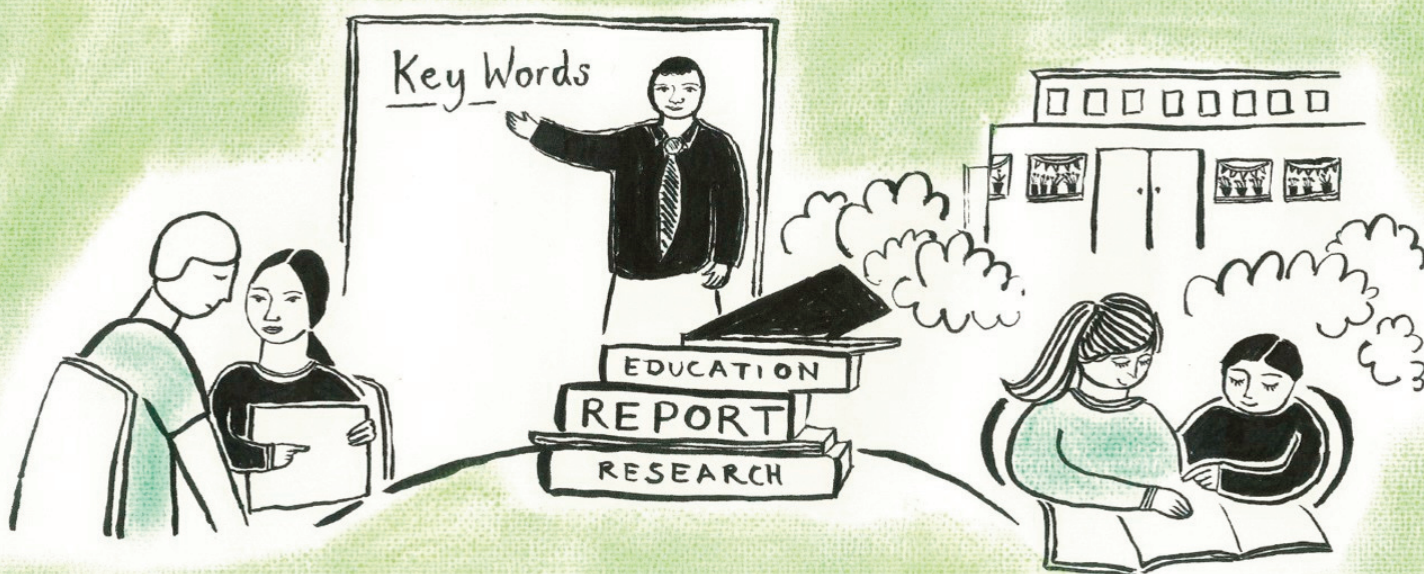


YEAR ENDED 31 DECEMBER 2019

Annual Report and Financial Statements

Company Number 1048465 Charity Number 311585



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The Bell Educational Trust Limited – Foreword

The following Annual Report and Financial Statements report the activities of The Bell Educational Trust Limited for the year ended 31 December 2019. At the date of signing in May 2020 much of the world, including the UK, finds itself in the midst of the Covid-19 pandemic. The report includes brief commentary on this on page 21 and in the notes as a post balance sheet non-adjusting event.

The charity and trading subsidiary have been impacted in different ways: for the trading subsidiary this is having a material impact on its operations; for the charity, its programmatic activity has responded to the impact on its beneficiaries. This activity will be reported in the charity's 2020 Annual Report and Finance Statements.

The Bell Educational Trust Limited – At a Glance

The Bell Foundation

The Bell Foundation (“the Foundation”) is the operational name for The Bell Educational Trust Limited. The Foundation is a charity which aims to overcome exclusion through language education by working with partners on innovation, research, training and practical interventions. Through generating and applying evidence, the Foundation aims to improve practice, policy and systems for children, young people, adults and communities with English as an Additional Language in the UK. This is the annual report and consolidated financial statements for the year ended 31 December 2019 for the Foundation and its wholly-owned trading subsidiary, Bell Educational Services Ltd.

Highlights of 2019

The Foundation’s direct charitable activities continued to achieve scale and impact in 2019. Charitable expenditure, excluding grant commitments, was at a planned and similar level in 2019 (£878,000) to 2018 (£875,000) as the Foundation prepares for an additional area of charitable programmatic expenditure, English for Speakers of Other Languages, in 2020.

The Foundation’s key activities in 2019, together with the major outcomes achieved, are set out below.

The English as an Additional Language (EAL) Programme

In 2019, the Foundation’s EAL Programme continued to achieve the programme’s three key objectives: to build capacity through the Centres of Expertise, to develop and evaluate models of good practice and to influence change through thought leadership. Centres of Expertise build EAL training capacity in local regions, raising the skills of teaching staff working with children with EAL, and cascading knowledge between schools.

Highlights include:

- **New partnerships were established with Centres of Expertise in two new regions of high need, Birmingham and South-West London. The EAL Programme now has a physical presence in five regions, reaching some 10,230 pupils directly. These centres, along with digital training opportunities for schools beyond these geographical areas, have significantly scaled the programme’s impact and reach.**
- **New sector wide collaborations were developed which extended the impact of thought leadership and influencing activities across the education system.**
- **The award-winning EAL Assessment Framework for Schools with accompanying Support Strategies and digital Tracker continued to support teachers. Over 13,000 copies were downloaded, and the Foundation received significant positive feedback on them. The Framework, already adopted by five local authorities, was recommended in the statutory guidance for the 2022 Welsh National Curriculum.**
- **Through the publication of a series of 17 best practice articles delivered to all schools in England, the Foundation ensured that its research and EAL expertise reached a significant number of teachers.**

The Criminal Justice Programme

In 2019, the Foundation concluded the Language for Change Programme and delivered the second year of the new, wider Criminal Justice Programme.

Highlights included:

- Through partners, the Foundation's grant funding reached projects in 96% of prisons.
- Through the Language for Change grants programme, over 8,000 offenders were reached directly.
- The ESOL (English for Speakers of Other Languages) Tutor Resource Pack developed by the Foundation was a finalist in the ELTons Awards.
- New partnerships with victims' organisations were established, with over 300 victims of crime supported and the potential for larger reach.

The English for Speakers of Other Languages (ESOL) Programme

In 2019, the Foundation developed a framework for investing in a new ESOL Programme and provided input and recommendations to Government consultations on the development of a national English language strategy.

Building a sustainable future

In 2019, the Foundation continued to manage its assets to secure the long-term financial stability of the organisation.

The Foundation and its subsidiaries ("the Group") reserves, as of 31 December 2019, stood at £43,927,000, a significant increase by £5,783,000 on the prior year. The growth in reserves is mostly attributed to realised and unrealised gains on investments of £2,802,000 and an increase in carrying value of £2,077,000 for the Group's property assets following revaluation at the year end.



Message from the Chair

I am pleased to present the Trustees' Annual Report for 2019.

The Foundation's charitable activity has continued to develop strongly in reach, impact and ambition during 2019.

The Foundation's programme to benefit children with English as an Additional Language is now having much greater reach and impact with scaled delivery being undertaken in five regional Centres of Expertise based in areas of high need.

New strategic partnerships are now in place to deliver system wide impact with sector bodies including Ofqual, Educational Development Trust and the Chartered College of Teaching. The Foundation has continued influential partnerships with leading universities, the Education Endowment Foundation and Unbound Philanthropy. This year the Department for Education published an advisory notice on EAL attainment and the Foundation's Assessment Framework is referenced in statutory national curriculum guidance in Wales.

In 2019, the Foundation completed the Language for Change Programme having committed over £1m in grants. Having reached the majority of adult prisons, I am pleased to report that in 2019, after three years, the evaluation of the programme shows that there is strong evidence that access to wider programmes of rehabilitation and support in prisons for offenders with English as an Additional Language was improved either directly through the provision of help e.g. via casework or peer mentoring, or indirectly through the development of English language skills.

In 2019, the Foundation delivered the second year of its new Criminal Justice Programme through a series of new partnerships. These include a major research partnership led by the Institute for Crime and Justice Policy Research and practical partnerships with national organisations supporting victims with English as an Additional Language.

In 2019, the Foundation agreed to develop a new workstream and invest in supporting adults with English as an Additional Language.

The Foundation continued to manage its assets in line with its Asset, Investment and Reserve Strategy. Overage income from sales of property continues to be reflected in the accounts, now with a cumulative balance of £1,262,000 at the end of 2019. The Foundation's subsidiaries have ended 2019 with an operating profit of £456,000.

Progress continues with the long-term development of the Cambridge campus with improvements to the site's facilities, including a conversion of existing facilities into a new 17 bed student accommodation block, planning consent for improvements to sports facilities and the continuation of a planning application for a larger student accommodation block.

The Foundation has continued to focus on its governance, undertaking a review of the Chairs and membership of its Committees, a skills audit and the completion of further Trustee recruitment. In 2019, new Trustee Lou McLaughlin joined the Board of Trustees and Nick Tellwright was co-opted onto the Asset Management Committee. I would like to thank Sarah Squire who retired from the Board of Trustees in 2019 for her service to the Foundation.

R C Prior
Chair of Trustees

Trustees' Annual Report

The Trustees of The Bell Educational Trust Limited ("the Foundation"), who are directors of the company for the purposes of the Companies Act, submit their annual report and the audited consolidated financial statements for the year ended 31 December 2019 for the Foundation and its subsidiaries ("the Group").

The Trustees have adopted the provisions of the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (second edition, effective 1 January 2019) in preparing the annual report and financial statements of the Group.

Our vision

Creating opportunity, changing lives and overcoming disadvantage through language education.

Our mission

To achieve our vision, we work with partners on innovation, research, training and practical interventions. By generating and applying evidence, we aim to change practice, policy and systems for children, adults and communities in the UK disadvantaged through language.

Values

We:

- **Are independent and impartial with no political affiliations**
- **Are authoritative and rigorous in our approach, and present clear and balanced evidence**
- **Work in partnership with others**
- **Champion practical solutions to problems, and**
- **Believe in diversity, valuing difference and tolerance.**

Our aims – achieving our mission

The Bell Educational Trust Limited was originally founded in 1972 by Frank Bell with the belief that intercultural understanding could be promoted through language education.

The objects are to promote and provide for the advancement of education for the public benefit by any means that the Trustees consider appropriate and in particular (but without limitation) by the:

- **Carrying out and the dissemination of research into the teaching and learning of languages and the use of language in education more generally**
- **Training and professional development of language teachers**
- **Provision of grants to organisations and individuals to further language education**

Within these objects, the Foundation's purpose is to change lives and overcome exclusion through language education and thereby continue the vision of the founder.

The Foundation's objectives in 2019 were to work in the UK in partnership with other organisations working with children with English as an Additional Language, break down the language barrier to accessing justice and rehabilitation for victims and offenders with English as an Additional Language in contact with the criminal justice system and to scope the development of work to support adults with English as an Additional Language to achieve synergy with its current programmes.

The Foundation is also focused on managing its assets to create an income for the charitable work.

Strategic report

The Trustees present their Strategic Report for 2019 for the Foundation and language school trading subsidiaries.

EAL Programme

Our objectives in 2019

The Foundation's objectives in 2019 were:

- **To increase the reach and impact of the Language for Results intervention through five Centres of Expertise, and to launch a digital and blended training offer and webinar series**
- **To develop high-quality EAL resources, assessment tools and teaching strategies and provide these to mainstream teachers to enhance teaching and support for EAL learners**
- **To influence policy and practice across the system through the publication and dissemination of research and good practice.**

Our work in 2019

The EAL Programme developed significantly in 2019, with new partnerships offering national reach and influence. Immediate beneficiaries of the programme continued to rise with an increase in direct training.

230,000+

downloads of
resources from
EAL Nexus

186,438

users of
EAL Nexus

5

regional
Centres of
Expertise

17

education
articles
published

13,000+

downloads of the EAL Assessment Framework
for Schools and accompanying resources

10,230

EAL pupils
reached directly

95%

recommendation rate
for training across
the programme

1

the Welsh Government recommended
the Assessment Framework to schools
as part of its statutory guidance

Early in 2020 the Foundation secured an additional £60,000 of funding from Unbound Philanthropy to add to the £145,000 grant which commenced in 2019 and continues over two years (2019–21) to support the scaling of Language for Results and the development of the ESOL Programme.

Increase the reach and impact of the Language for Results intervention

Language for Results training had a 95% recommendation rate from participants.

“The programme continues to deliver breadth and depth of reach through its diverse but strategically coordinated portfolio of activities” ... The continuing high quality of provision is “an indication of the programme’s high standards of accreditation, training and ongoing support” ... “the indications are that training and development courses are giving teachers and other school/education professional the skills and confidence to support EAL pupils and their peers better.”

Independent evaluation

Scaled delivery of Language for Results continued with the development of two more Centres of Expertise, increasing the number to five partnerships located in areas of high need: Hillborough Junior School, Luton; Connect Teaching School Alliance, Boston; Co-op Academies Trust, Leeds/Manchester/Merseyside; Prince Albert Community Trust, Birmingham; and Quality First Education Trust with the University of Roehampton, south-west London. Training is delivered by 18 accredited Bell Foundation Licensed Practitioners (BFLPs), with plans to increase this number in 2020. Through the Centres of Expertise, 10,230 EAL pupils have been directly reached.

To widen impact and extend the reach of Language for Results beyond the geographical areas of the Centres of Expertise, in 2019 the Foundation launched a digital training offer and a series of free webinars. The online training creates an affordable, time flexible continuing professional development (CPD) opportunity that teachers can access anywhere to improve their teaching so that they can better support pupils with EAL to fully access the curriculum. These webinars offer participants direct access to leading academics and expert practitioners.

"I really have enjoyed this course. I must admit I had misgivings about the method of delivery at the start but it has been so well-organised and delivered it has been a joy even for a techno-newbie like me. I think the framework is brilliant and I am now really inspired to integrate into my school to dramatically improve my support for our EAL learners. You have inspired me!"

Course participant

"I am so grateful for The Bell Foundation webinars they are so useful, relevant and provide superb CPD for staff and of course are well attended so thank you for hosting these but also for supporting us all to access them."

Webinar participant

The Foundation's expertise on teacher training has been communicated to all schools through a series of 17 articles sharing best practice and pedagogy in education publications such as *SecEd* (secondary schools), *HeadTeacher Update* (primary school), *Schools Week* (schools) and in *Impact* (Chartered College of Teaching). These articles have enabled the Foundation to widen its reach and impact with key audiences, informing how school staff support their learners using EAL.

Develop and provide high-quality EAL resources, assessment tools and teaching strategies

The Bell Foundation's award-winning EAL Assessment Framework for Schools with accompanying Support Strategies and digital Tracker continued to support teachers in assessing the attainment of pupils with EAL. In 2018, the Framework was adopted by five local authorities in England. In 2019, it was recommended to schools in Wales as part of Statutory Guidance for the 2022 Welsh National Curriculum (The Welsh Government's Needs Assessment Survey Toolkit: Annex C, 2019). The innovation and impact of the Framework continued with the development and launch of a digital Tracker and of Early Years Foundation Stage (EYFS) guidance and strategies. The new tool is freely available to all schools and enables teachers to track language progress, set targets, implement support strategies and generate progress reports for parents.

"I will share learning goals/targets from the Framework more often to enable EAL learners to recognise their own progress and self-assessment."

Teacher

"The Framework helped me to identify small steps for my learner and to show the progress more easily. It also helped to point out where he currently is academically in his language development, in particular to find and match examples within his work."

Teacher

"An impressive tool and I really enjoy working with it. Kudos to the development team."

EAL Co-ordinator

"This is a game changer."

Teacher

The Foundation continued to provide free teaching resources through the EAL Nexus platform. The site provides teachers with curriculum-based classroom resources and teaching strategies to help plan and deliver lessons that ensure the curriculum is accessible to learners using EAL. In 2019 there were in excess of 230,000 resources downloaded by 180,438 users, 56% of whom were UK-based. The additional 44% were non-UK based and demonstrate the international reach of the Foundation's work.

"Really useful! Some of the substitution tables have already been used successfully in science lessons, with positive outcomes, greater learner participation and accessibility and positive feedback from Teaching Assistants, teachers and learners."

Teacher

"Look at The Bell Foundation resources for loads of great strategies."

Senior Lecturer

"You are now a 'go to' site for me!"

Email from user

Thought leadership: to influence policy and practice across the system through the publication and dissemination of research and good practice

The Foundation continued to focus on system wide change to improve understanding of the educational achievement of EAL learners through partnerships with universities, responding to consultation documents and thought leadership.

The three-year research project by the University of Oxford, funded by the Foundation and Unbound Philanthropy, continued into its second year with further research due for publication in 2020. Following dissemination of the first report 'English as an Additional Language, proficiency in English and pupils' educational achievement' during 2018/9, there was an explicit acknowledgement in Government policy of the role that proficiency in English has on the attainment of children with EAL.

In 2019, the Department for Education (DfE) issued a new Advisory Notice on Pupils with English as an Additional Language which stated:

'Those EAL pupils who joined an English school in reception were slightly more likely to reach the expected standard in reading, writing and maths than pupils whose first language was English. EAL pupils who joined an English school after reception were less likely to reach the expected standard than pupils whose first language was English, with the likelihood of a pupil meeting this standard declining the later they arrived.'

DfE, 2019



The Foundation responded to two Government consultations: the Northern Ireland Supporting Newcomer Pupils Policy and the new Ofsted Education Inspection Framework.

The Centre for Education for Racial Equality (CERES) at the University of Edinburgh and the Foundation and Unbound Philanthropy published research on 'English as an Additional Language and Initial Teacher Education' in 2019. It highlighted the lack of confidence of student teachers and teacher educators in teaching EAL students and showed that less than half of student teachers surveyed received training on EAL.

In 2019, the DfE published a new Early Career Framework for the development of Newly Qualified Teachers (NQTs). The Foundation is part of the Education Development Trust's initiative to develop training and resources for NQTs in early roll out regions which include Greater Manchester, the North East, and South and West Yorkshire. The potential for impact from this work is significant as the Early Career Framework will be statutory from 2021, and the curricula and resources developed will be provided directly to schools by the DfE.

In 2019, the Foundation established new collaborations with the Office of Qualifications and Examinations Regulation (Ofqual) and with the Standards Testing Agency (STA) who regulate examinations and assessments at Key Stage 4–5 and EYFS–Key Stage 2 respectively. The objective is to ensure that the design of statutory assessments in England is accessible to pupils with EAL. This has the potential to impact across all statutory testing and examinations in England from EYFS–GCSEs/A-levels.

The Foundation continued partnerships with the Education Endowment Foundation (EEF) and Unbound Philanthropy to robustly test interventions through three randomised control trials (RCTs) as part of an initial £2m grants round. The objective of the trials is to add to the available evidence on improving the attainment of those groups of EAL pupils most at risk of underachievement and to expand the limited evidence base of effective pedagogy in EAL. The second of these trials, Integrating English, completed in 2019 and the report concluded:

“The study represents the first large-scale RCT analysis of the effect of genre pedagogy on primary school teachers and pupils in Europe ... Training was positively received by the majority of schools, although measures of compliance and fidelity were low and the effects of the training may remain at the level of short-term strategies and techniques rather than long-term pedagogic change or improvement in underlying understanding of the role of language in school-based literacies.”

EEF report

The third RCT was not able to proceed to the second phase of the trial due to small numbers of test sites being available, however findings and learning from the first phase of the trial will be reported in 2020.

The Foundation also established a partnership with the Chartered College of Teaching (CCT), the professional body for teachers. Through this new partnership in 2019, the Foundation has given keynote addresses at CCT conferences, published two articles for CCT sites and been invited to act as an EAL expert on their Chartered Teacher qualification.

Partnerships continued with the National Deaf Children's Society (NDCS) who have reported positive feedback from specialists and mainstream educational professionals regarding the resources developed in 2018 which continue to deliver impact for children who have both EAL and a hearing impairment.

A member of the Foundation's staff was the recipient of the prestigious Winston Churchill Memorial Trust Fellowship. The findings, to be published in 2020, gathered valuable learning insights from practice and practical ideas from education systems in Canada, the USA and Australia on how to implement a more equitable, inclusive and coherent education system for multilingual learners.

Work undertaken with The Bell Foundation has been submitted as evidence of 'impact beyond academia' for the Research Excellence Framework (REF) 2021 by the University of Cambridge, the University of Oxford, the University of Edinburgh and Anglia Ruskin University. The REF assesses the quality of research in UK higher education institutions, provides accountability for public investment in research and produces evidence of the benefits of investment.

In 2019, the Foundation entered or continued partnerships with the following organisations as part of the EAL Programme:



Our plans for 2020

The Foundation will deliver the sixth year of the programme to improve educational outcomes of children with EAL. The programme will continue scaling by building the capacity of partners and others, developing training and resources for teachers working with EAL learners, and influencing policy and practice through the dissemination of research and thought leadership.

In 2020, the Foundation will:

- Increase the reach, impact and accessibility of Language for Results through an additional Centre of Expertise and development of additional online courses
- Continue to innovate and expand the EAL Assessment Framework and other resources
- Influence policy and practice across the system through the publication and dissemination of research and good practice and through sector wide partnerships.

Criminal Justice Programme

Our objectives in 2019

In 2019, the Foundation's objectives were to:

- Complete partnerships and publish findings from the Language for Change Programme
- Implement the second year of its Criminal Justice Programme
- Begin a research project to inform whether a lack of English language impacts on access to rehabilitation and justice
- Use the learning to inform responses to the needs of individuals with English as an Additional Language in the criminal justice system
- Embed training and resources to improve the sector's ability to respond to the needs of individuals with English as an Additional Language
- Implement partnerships to meet the needs of victims of crime with English as an Additional Language, focusing where possible on sustainable initiatives and approaches.

Our work in 2019

8,000+
offenders with
ESOL needs
reached

£1m
of grants
committed

1,000+
downloads of the
ESOL Tutor
Resources

63%
of prisoners who attended Reading
Ahead ESOL classes felt more
prepared for life after prison



100
trained peer advisors
supported 1,000+ prisoners

96%
of prisons in England and Wales
reached through grant funding

Data from independent evaluation (2015-19)

The Foundation has committed to investing £2.5m in its Criminal Justice Programme over a period of five years. Expenditure in the Programme will vary between years due to the timing of grants to partners and phasing of commitments. In 2019, grant timings in the victims workstreams, and the continuation of the research project, which was a multi-year grant committed in 2018, mean that the expenditure in 2019 is lower at £275,000 from £669,000 in 2018. Future plans and recommendations from the research project will inform increased investment in the programme in 2020 and beyond.

Complete partnerships and publish findings from the Language for Change Programme

In 2019, the Foundation evaluated the Language for Change Programme. Independent evaluation data from the programme (2015–2019) reported:

- **63% of prisoners in ESOL classes that participated in Reading Ahead for ESOL (The Reading Agency) said they felt more prepared for life after prison as a result of the scheme.**
- **Over 1,000 Foreign National Prisoners supported by the 100+ Peer Advisors were trained by the St Giles Trust.**
- **Over 8,000 offenders with ESOL needs were reached.**
- **96% of prisons in England were reached by work funded by The Bell Foundation.**
- **£1m in grants were committed to organisations working with offenders.**

'There is strong evidence that access to wider support and opportunities has been improved either directly through the provision of help e.g. via casework or peer mentoring, or indirectly through the development of English language skills.'

Independent evaluation

As causality can be difficult to establish between projects and outcomes in the criminal justice sector, this is a positive finding, reflecting the impact of the projects implemented by partners and funded by the Foundation.

A recent evaluation of Shannon Trust's National Reading Network showed 69% of participating ESOL prisoners said that the Reading Plan had encouraged them to access further training and development opportunities; the largest proportion of these participants (65%) accessed ESOL courses (2016–18 surveys, n=660). This shows the positive impact on prisoners with ESOL needs.

The evaluation of the Language for Change Programme also found that the Foundation should play an active role in promoting the tools to continue to raise awareness of ESOL needs and to improve ESOL teaching in prison. The evidence for this and the impact of assets such as the ESOL Screening Tool has shaped future programme strategy.

Implement the second year of the Criminal Justice Programme

The Criminal Justice Programme has continued into its second year, with the objective of improving access to justice and rehabilitation for individuals involved in the criminal justice system who have English as an Additional Language. By supporting partner organisations working on the frontline, the Foundation aims to reduce English language barriers and improve people's access to justice. In 2019, the programme expanded beyond grant-giving to include influencing work, research, delivery of training, and the development of resources and materials. Evidence from partnerships and research will inform policy recommendations and, in the medium-term, impact on system change in policies, practices and processes for beneficiaries with English as an Additional Language.

Begin a research project to inform whether a lack of English language impacts on access to rehabilitation and justice

In 2019, the Foundation began a major research project into the impact of the English language barrier in the criminal justice system. This is a partnership between the Institute for Crime and Justice Policy Research (ICPR), Victim Support, and the Centre for Justice Innovation. Initial findings will be published in 2020 and will inform interventions and programme strategy. An expert advisory group composed of senior sector stakeholders will work with the Foundation to inform implementation of the research findings.

Use the Foundation's learning to inform responses to the needs of individuals with English as an Additional Language in the criminal justice system

Impact beyond individual projects is achieved through publishing evidence and via engagement with policy makers. In 2019, the Foundation published a report in partnership with the Learning & Work Institute, highlighting the key policy and practice changes needed to improve the outcomes and wellbeing of prisoners with ESOL needs. In 2019, the Foundation submitted responses to Government consultations, including responses to proposals for a new Code of Practice for Victims of Crime (the Victims Code).

Embed training and resources to improve the sector's ability to respond to the needs of individuals with English as an Additional Language

In 2019, the Foundation's ESOL Tutor Resource Pack, which contains lesson materials on topics such as navigating prison life, improving financial literacy, and preparing for life after release, supported tutors in engaging with ESOL learners in prison. It was a finalist in the British Council's ELTons Awards and has been downloaded over 1,000 times, helping ESOL Teachers in the UK provide lessons which directly meet the language and life skills needs of learners.

"They're more society-based, community-based and that's very helpful because our young people have got to learn to get on in the local community and learn how things are."

ESOL Tutor

The Foundation received a letter from a qualified ESOL Tutor who is also a prisoner and who regularly uses the ESOL Tutor Resource Pack. The letter was hand-written because neither prisoners nor teachers have access to computers or the internet in the prison. This demonstrates the importance of providing lesson materials that meet the distinct needs of such learners, as they have far fewer opportunities to learn or engage with other support systems. The letter demonstrated the impact of the Foundation's work in providing much-needed resources which teach but also engage learners in a meaningful way in very difficult, challenging conditions.

In 2019, the Foundation created learning opportunities on visible learning, trauma-informed ESOL teaching, and creative writing activities. Over 90% of teachers said they would implement at least one thing they had learnt during the training, leading to a spread of best practice in teaching and improving practice of ESOL teaching in prison.

“I enjoyed today immensely as it was an opportunity to meet other colleagues in ESOL but also to exchange ideas. Having the trauma informed session was brilliant, appropriately pitched and very interesting.”

ESOL Tutor

Following grant funding from the Foundation, The Reading Agency has embedded 'Reading Ahead for ESOL' into its main strategy for Reading Ahead in prisons. This will support future ESOL teachers and librarians in engaging ESOL learners with reading to improve their wellbeing and educational attainment.

Implement partnerships to meet the needs of victims of crime with English as an Additional Language, focusing where possible on sustainable initiatives and approaches

In 2019, the Foundation launched two new partnerships and renewed one existing partnership to improve support to victims of crime with English as an Additional Language. The Foundation has built partnerships with Victim Support, a national victim care charity, Harrow Law Centre and Law Centres Network; and it has continued its partnership with Hibiscus Initiatives, a specialist women's organisation supporting foreign national women with involvement in the criminal justice system. The partnerships are innovative in both scope and approach and despite the complexity of navigating legal and statutory requirements, as well as understanding the relationship between language and culture, early indications are that the work is needed and is positively impacting those who receive services.

Victim Support's phone in, on a local Urdu-language radio show indicates the need for this service:

“An individual called in regarding a relative, who was suffering from domestic abuse from a family member. They were being physically and verbally abused and subject to control of their finances. The caller had no idea if there was any kind of support available, until she heard the Victim Support worker on the radio. The Victim Support worker spoke to the caller about the type of support they could be entitled to and directed them to the local services.”

Victim Support report

Harrow Law Centre directly supports clients who have been victims of crime. This can involve filing complaints or supporting a victim in pursuing a case with the police.

'A woman who spoke little English was the victim of a serious physical assault. The victim was asked to sign 'consent to community resolution' form. The effect of this, unbeknownst to the victim, was this it concluded the criminal investigation, dealt with a violent physical assault against her without punishment to the perpetrator, and undermined the victim's faith in the criminal justice system.'

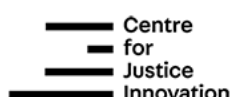
Harrow Law Centre report

'A Law Centre client was the victim of aggravated car theft. She experienced severe hardship as a result of losing her job because she could no longer get to work. The project assisted her in navigating the criminal justice system, preparing evidence for a police officer, chasing the status of investigation and pursuing a resolution for victim and perpetrator. They also pursued a complaint to the financial Ombudsman regarding their client's contact with her insurer.'

Harrow Law Centre report

In 2019, the Foundation entered or continued partnerships with the following organisations working with victims of crime and offenders/ex-offenders.

The Bell Foundation works in partnership with:



Our plans for 2020

In 2020, the Foundation's Criminal Justice Programme will:

- Publish and disseminate initial research findings to influence policy, practice and the development of programme strategy
- Continue to increase impact and reach through partnerships with organisations working with victims and offenders
- Increase awareness of ESOL needs through the development and dissemination of materials and resources such as the ESOL Screening Tool
- Share learning from partners to support system change and best practice on meeting the needs of victims who have English as an Additional Language.



ESOL Programme

Our work in 2019

Pilot Programme

In 2019, the Foundation developed the framework for a pilot programme to improve educational, social and employment outcomes for adults and young people who have English as an Additional Language. The programme will focus on testing approaches, commissioning research, and influencing policy and practice with regional and national authorities.

Public Policy and Influencing Work

In 2019, the Foundation shared its expertise and learning with the UK Government through engagement in work on the development of a national cross-Government English language strategy including participation in an expert group.

Young People's Research

Work was undertaken in 2019 to commission research on young people (aged 16-25) who use English as an Additional Language in order to get a better understanding of the needs of this group of learners.

Our plans for 2020

In 2020, the Foundation will begin to roll out a pilot programme through the development of new partnerships at national and regional level to achieve the following objectives:

- **To develop an in-depth understanding of the needs of and how to improve outcomes for two defined groups who speak English as a second language:**
 - young people aged 16-25
 - migrant workers
- **To conduct research with and for isolated or marginalised adults in order to advise on effective engagement and pedagogical strategies to improve their personal, professional and educational outcomes**
- **To influence the national and local Government development and roll out of an English language strategy and ESOL provision**
- **To determine the Foundation's longer-term programme strategy to support adults with ESOL needs**
- **To disseminate findings from the Foundation's first research project on achievement and educational/employment outcomes for young people aged 16-25 who have English as an Additional Language.**

Grants and partnership policy

The Foundation maintains a flexible and open approach to grant giving, to ensure each grant made has the best possible impact. Grants are made to fund specific activities carried out by partners or to focus on capacity building and development.

The Foundation works with both smaller organisations and larger strategic partners who have expertise in supporting children with EAL and those who have expertise in supporting victims, and rehabilitating offenders and ex-offenders.

The Foundation is open to approaches from organisations via its website to develop partnerships and invites organisations who share its strategic objectives to discuss partnership opportunities.

Asset management

Our objectives in 2019

The Foundation manages its assets to secure long-term financial stability in order to continue to fund philanthropic work. Specifically, in 2019, the Foundation planned to:

- **Manage the next stages of the student accommodation planning application**
- **Continue to monitor and respond as required to the financial performance of both trading subsidiaries and investment managers.**

A summary of 2019

The following is a summary of activity in 2019. Further detail is contained within the financial review.

Property assets

The Foundation's property assets underwent a revaluation on 31 December 2019 in accordance with the Charities SORP (FRS102). The properties, leased to Bell Educational Services Ltd, the charity's trading subsidiary, are valued on a fair value basis. The revaluation resulted in an increase in value of £2,500,000 (the previous valuation being based on existing use, the accounting requirements ruling at that time, 31 December 2014). The detail is set out in note 8 to the financial statements.

The Foundation submitted a detailed planning application at the end of 2018 for the potential development of student accommodation, although this has yet to receive a decision. During 2019, the Foundation invested in the quality of the site, agreed plans to improve sports facilities on the campus and the trading subsidiary (who is the tenant) renovated and converted one building to student accommodation.

The completed sale of development land in 2017 provided, under contract with the developer, for overage. Overage has been recognised in the accounts, as dictated by accounting rules, since 2017. The overage balance at the end of 2019 is £1,262,000. It is anticipated that the developer will complete the last property sales in 2020, following which the overage calculation will be finalised.

Investments

The valuation of the investments at 31 December 2019 was £22,707,000, a 14% increase on the value at the end of 2018. In part this was due to a recovery on the diminished valuations experienced by the investment markets in general at the end of 2018, and in part due to strong performance against the Foundation's investment strategy.

Fluctuations in values, as seen at the end of 2018 and into the beginning of 2019, are expected, and the investments are being held for the long term.

Trading subsidiaries

In 2019, the charity's trading subsidiaries' turnover decreased to £14,732,000 which is a £1,658,000 change from the prior year.

During 2019, following a strategic review in 2018 and the appointment of a new Chief Executive, Bell Educational Services Ltd embedded organisational changes which focussed on growing core areas of the business and continually appraising opportunities for cost efficiency and control. Long term, the business continues to explore opportunities to diversify, building on its core strengths and successes whilst pursuing suitable opportunities to optimise the use of its resources. In a challenging period for the English language teaching market, the subsidiaries returned an operating profit for 2019 of £456,000 which is a £424,000 reduction on the prior year.

Our plans for 2020

The key objectives for 2020 are:

- Continue to monitor and respond to the financial performance of both the trading subsidiaries and investment managers
- Manage the next stages of the student accommodation planning application
- Finalise the land disposal with the completion of the overage.



Financial review and results for the year

Reserves policy

The Foundation's reserves are primarily unrestricted funds. These are further divided by the Trustees into income and capital funds, the latter being represented by the cost of assets held for investment purposes by the charity and the statutory revaluation reserve, reflecting the Trustees' approach to managing the funds. The Trustees can make transfers between the income and capital funds, as the funds are unrestricted designated funds.

The Asset, Investment and Reserve Strategy agreed by Trustees states that transfers can be made from the capital fund to the income fund to ensure that planned programmatic work can continue if income is below expectations.

The reserves policy and level of unrestricted income reserves are reviewed annually.

Having considered the ongoing needs of the Foundation and its trading subsidiaries, the reserves policy is to have sufficient cash resources, whether internally generated or through long-term borrowings, to finance the Group's rolling five-year plans with an allowance for reasonable contingencies. The Trustees continually review the financial position of the Group and believe that this is an appropriate policy to adopt to fund the long-term sustainability of the Group.

The reserves policy is informed by:

- **Forecast levels of income in future years, taking into account the reliability of each source of income**
- **Forecasts of planned expenditure in future years**
- **Analysis of future needs, opportunities, contingencies or risks: the financial effects of which are not likely to be able to be met out of income if and when they arise**
- **Assessment, on best evidence reasonably available, of the likelihood of each of those needs arising.**

The designated capital fund and the revaluation reserve reflects the intention of the Trustees and the organisation's founder to ensure the long-term stability of the Foundation. These funds represent the land gifted to the charity in the 1970s and investments made from the proceeds of the sale of surplus land over the last five years and includes the overage income.

In line with the Asset, Investment and Reserve Strategy, the investment portfolio's 2019 unrealised gains of £2,630,000 have been added to the revaluation reserve. The revaluation of the property assets also resulted in an increase to the Foundation's carrying value of £3,048,000 (this being the increased valuation of £2,500,000 plus the write back of accumulated depreciation since the last revaluation of £548,000) which was also added to the revaluation reserve. During the year, the Foundation's trading subsidiary invested in the conversion of existing facilities into a student accommodation block. In consolidating the Group accounts, this investment adjusts the increase in carrying value to £2,077,000. The Group reserves are also adjusted accordingly.

As at 31 December 2019, the charity's total capital funds (designated capital fund and revaluation reserve) was £42,419,000 (2018 – £36,569,000). The balance on the charity's unrestricted income fund was £513,000 (2018 – £156,000). It is anticipated that in future years the income generated from the Foundation's assets will be sufficient to fund the charitable programme in line with the overall Asset, Investment and Reserve Strategy.

The trading subsidiaries' unrestricted income reserve increased to £2,000,000 from £1,544,000 in 2018.

Investment policy

The Trustees have adopted an Asset, Investment and Reserve Strategy that has the following objectives:

- To provide funds to support the Foundation's programme of activities
- To preserve and enhance the value of the Foundation's assets
- To achieve the above with agreed levels of risk.

The Bell Foundation's asset portfolio consists of three key elements:

- A portfolio of investments
- The investment in Bell Educational Services Ltd, a wholly-owned trading subsidiary
- The Cambridge campus leased to the trading subsidiary.

Investment portfolio

The Trustees have targeted the investment managers to produce a total return of the Consumer Prices Index plus four percent with an annual cash income drawdown of three percent.

The Foundation has agreed to follow the social, environmental and ethical policies developed by the investment managers for discretionary charity portfolios, which will minimise the risk of any significant investment where the business activities are to the detriment of our ultimate beneficiary groups.

Investment in Bell Educational Services Ltd

The investment in Bell Educational Services Ltd was created in 2012 when the Foundation transferred its language school assets into a wholly-owned trading subsidiary with the aim of developing this activity commercially. The Trustees acknowledge that this company operates in a cyclical market, which is influenced by geopolitical factors outside the company's control.

The Trustees' key target is for a cash return through Gift Aid, calculated as the higher of 10% of the opening capital value or 40% of annual net profit, to fund the Foundation's charitable works. Though the trading subsidiary reported a profit for 2018, in order to build resilience in and enhance the prospects of the subsidiary to make stronger returns to the Foundation, Trustees agreed to defer the Gift Aid payment that could have been received by the Foundation in 2019.

Cambridge campus

The Foundation owns the Cambridge campus from which Bell Educational Services Ltd operates its Cambridge school. The Trustees have a long-term lease with the trading subsidiary with five-yearly rent reviews and a target rental return of seven percent per annum. The rent was reviewed with effect from 1 January 2017 and this gives a return on the carrying value of the campus of the target seven percent.

The Foundation holds any short-term surplus funds on bank deposit.

Trading subsidiaries' results

As already noted, this has been a challenging period for the English language teaching market. Bell Educational Services Ltd, the UK subsidiary, achieved turnover of £11,228,000 which was a reduction on the previous year of £1,860,000. However, following a dividend receipt from its Swiss subsidiary, Bell Educational Services Ltd reported a profit of £544,000 resulting in increased unrestricted income reserves of £1,600,000. Bell Switzerland increased its turnover by £202,000 to £3,504,000.

Charitable expenditure

The 2019 charitable expenditure totalled £938,000 which was below the £1,074,000 expenditure reported in 2018. The reduction in expenditure was driven in part by reduced grant commitments. New grant commitments in 2019 were £60,000 which, though reduced from the £435,000 of commitments in 2018, reflects that previous multiple year commitments continued to run through 2019 in addition to the timing of the financial year end during the grant commitment approval process.

Balance sheet

The balance sheet strengthened in the year with total Group assets now at £43,927,000 (2018 £38,144,000). The increase, as described previously, being driven by unrealised gains on investments and the revaluation of the Foundation's property assets.

The total recognised overage income of £1,262,000 (before tax of £215,000) is included in debtors and these funds are payable following the last property sale. Sales are anticipated to complete in 2020. The overage income is taxable as trading income, however, corporation tax is not due until completion of the overage arrangement. This gives rise to a timing difference between the accounting and tax treatment of the income, and this is recognised through the provision of deferred taxation of £215,000.

Cashflow

The Group's cashflow was broadly static with total balances of £13,020,000 at 31 December 2019, an increase of £322,000 in the year.

Year-end position and going concern

The Group's net current assets at 31 December 2019 were £10,040,000. In addition, the investment assets at 31 December 2019 were £22,707,000. Though the Foundation is not impacted by the ongoing situation of Covid-19 in 2020, it is a material uncertainty for the operations of the trading subsidiary. Given the ease with which the Group's current assets and the investment assets could be converted into cash and having considered the three year strategic plans of both of the Foundation's subsidiaries and the Foundation's forecast, the Trustees consider the Group a going concern.

Risk management

The Board of Trustees is responsible for the overall identification and mitigation of risks. Day-to-day examination of the risks for the Foundation is conducted by the executive team and for the subsidiaries by the Boards of Directors supported by their executive management teams. These processes are overseen by the Audit and Risk Committee and reviewed by the Board of Trustees.

A formal review of risk management processes is undertaken annually, and key controls include:

- **Vetting procedures, as required by law, and policies for the protection of the vulnerable**
- **Maintenance and regular review of the risk register**
- **An annual review of insurance**
- **A review of major business risks.**

The Audit and Risk Committee agreed to go “beyond compliance” for safeguarding practices. In 2019, the external safeguarding review undertaken in 2018 was updated. Following a British Council inspection, a rating of Excellence was awarded in relation to safeguarding.

Major risks and mitigation identified by the Group are as follows:

Risk	Mitigation
Charitable Programmes Changing external environment for the delivery of both programmes Income from trading subsidiaries and investments insufficient to fund planned charitable programmes	<ul style="list-style-type: none"> • Long-term view and flexible approach taken with partners • Trustees' policy of utilising capital to ensure completion of agreed charitable programmes
Intellectual Property (IP), Brand and Reputation Damage to brand and reputation due to activities of others	<ul style="list-style-type: none"> • Formal agreements with partners for use of IP, clear statements of copyright ownership and use • Independent evaluation of programmes to monitor impact of the charity's programmes
Governance Ensuring the governance structure of Committees and subsidiary Boards remains fit for purpose as the Foundation develops	<ul style="list-style-type: none"> • Regular review of the Terms of Reference • Annual planning, review and approval processes • Annual skills audit for Trustees • Annual review of compliance with the Charity Governance Code

Risk**Adherence to relevant legislation****Mitigation**

- Regular monitoring of legislative developments
- Regular consideration of key risk areas by the Board and the Audit and Risk Committee

Safeguarding

The need for the trading subsidiaries and the Foundation-supported projects to manage the wellbeing and safety of students and beneficiaries to the highest standards

- External safeguarding review undertaken in 2018, updated in 2019
- Safeguarding systems to ensure concerns are escalated
- External inspections

Cyber Security

- Best practice risk mitigation policies and processes in place
- Regular monitoring

Trading Subsidiaries

Cyclical trends in the trading subsidiaries business

- Regular reporting of results and forecasts by trading subsidiaries to the Board of Trustees
- Proactive response from the trading subsidiaries to business conditions
- Proactive development of less cyclical business streams

Investments

Fluctuations in total returns from the investment portfolio compared with the target of CPI plus four percent

- Diversification of portfolio management and underlying tactical asset allocations
- Regular monitoring

Legal structure and governance

The Bell Educational Trust Limited is a charitable company limited by guarantee, number 1048465 established on 5 April 1972, and is also a charity registered with the Charity Commission, number 311585. The Bell Educational Trust Limited operates under the name The Bell Foundation.

The Bell Educational Trust Limited is governed by Articles of Association, most recently amended and adopted on 9 September 2011.

The Board of Trustees (the "Board") is legally responsible for the governance, policy and decision making at the highest level. The number of Trustees must not be less than four or more than sixteen. Under the Articles of Association, Trustees are appointed by the Board. The Board meets a minimum of four times a year.

Trustees are appointed for a period of three years and, provided they remain qualified, will be eligible for reappointment but for no more than three consecutive terms. Each Trustee serves on at least one Committee. During 2019, the Board reviewed the Committees' Terms of Reference, chair roles, membership and terms of office on all its Committees.

The Board of Trustees, through the Asset Management Committee, has responsibility for ensuring the strategic oversight and review of the Foundation's assets on a quarterly basis, including its property and trading subsidiaries.

Trustees held an annual away day in 2019 at which the Foundation's strategic programme developments, the wider environmental context and the long-term strategy, and plans for the trading subsidiaries, were considered.

Recruitment, induction and training of Trustees

The Board, through its Governance Committee, has actively considered the skills base of the existing Board, conducted an annual skills audit, and reviewed Trustee training needs. There is a full induction process in place and a set of annually reviewed policies and procedures. Trustees are also advised of, and encouraged to attend, seminars run by various professional bodies, on topics that may be of interest. One new Trustee, Ms L McLaughlin, was recruited in 2019 and appointed to the Board in March 2019. Ms S Squire stepped down from the Board of Trustees in December 2019.

Public benefit

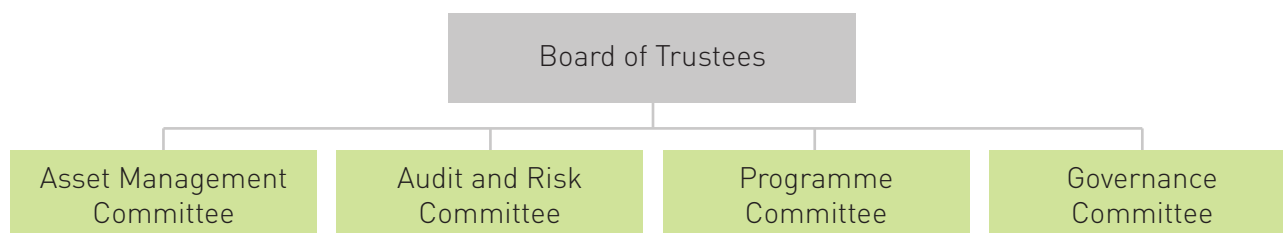
The Trustees are confident that the Foundation meets the public benefit requirements and confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit where applicable. The narrative given earlier in this report details the activities undertaken in the year and the public benefit provided.

Related party transactions

There were no related party transactions in 2019.

Mr M Milanovic and Mr G Spink served as directors of Bell Educational Services Ltd for the whole of 2019 for which they received no remuneration.

Board of Trustees and Committees



The Trustees who held office during the year and up to the date of approval of this report were:

	Board Meetings attended (Four meetings held in 2019)
Mr R C Prior (Chair)	4
Mr A L Tomei (Vice Chair)	3
Mr J Gandy	4
Mr M Milanovic	3
Mr G Spink	4
Mr R S M Auladin	3
Ms E J King	4
Ms S L Squire (resigned 4 December 2019)	3
Mr A J Scott-Barrett	3
Ms T E Fazaeli	4
Ms L McLaughlin (appointed 17 April 2019)	3

The Board delegates the exercise of certain powers in connection with the management and administration of the Group as set out below:

Audit and Risk Committee – met three times in 2019

	Meetings attended
Mr G Spink (Chair)	3
Mr R S M Auladin	3
Mr A J Scott-Barrett	3

The Audit and Risk Committee, in addition to its work on the annual report and accounts, reviewed risk management processes and reporting to ensure clear oversight for the Board over risk mitigation and assurance on the related controls.

Asset Management Committee – met four times in 2019

	Meetings attended
Mr J Gandy (Chair)	4
Mr A L Tomei	4
Mr A J Scott-Barrett	4
Ms L McLaughlin (from 17 May 2019)	3
Mr N Tellwright (co-optee from 14 March 2019)	3

The Asset Management Committee monitored the performance of the investment managers. It continued to provide detailed oversight of the trading subsidiaries' performance and continued detailed work around the proposed student accommodation.

Governance Committee – met three times in 2019

	Meetings attended
Ms S L Squire (Chair up to 4 December 2019)	3
Mr R C Prior	2
Mr R S M Auladin (Chair from 1 January 2020)	3

The Governance Committee oversaw the annual skills audit, senior staff pay and remuneration, and the recruitment of a new Trustee.

Programme Committee – met four times in 2019

	Meetings attended
Mr A L Tomei (Chair)	4
Mr M Milanovic	1
Ms E J King	4
Ms T E Fazaeli	4
Ms D Sutton (Director – The Bell Foundation)	4

The Programme Committee provided challenge and support to the staff on the implementation of the Foundation's programmatic activity.

Trustees' indemnities

The charity Trustees' liability policy includes protection for the Trustees and officers past and present in their personal capacity in circumstances where they cannot claim indemnity from the charity, following legal action against them in their role for wrongful acts made within the period of insurance. This policy is reviewed annually.

Employee involvement

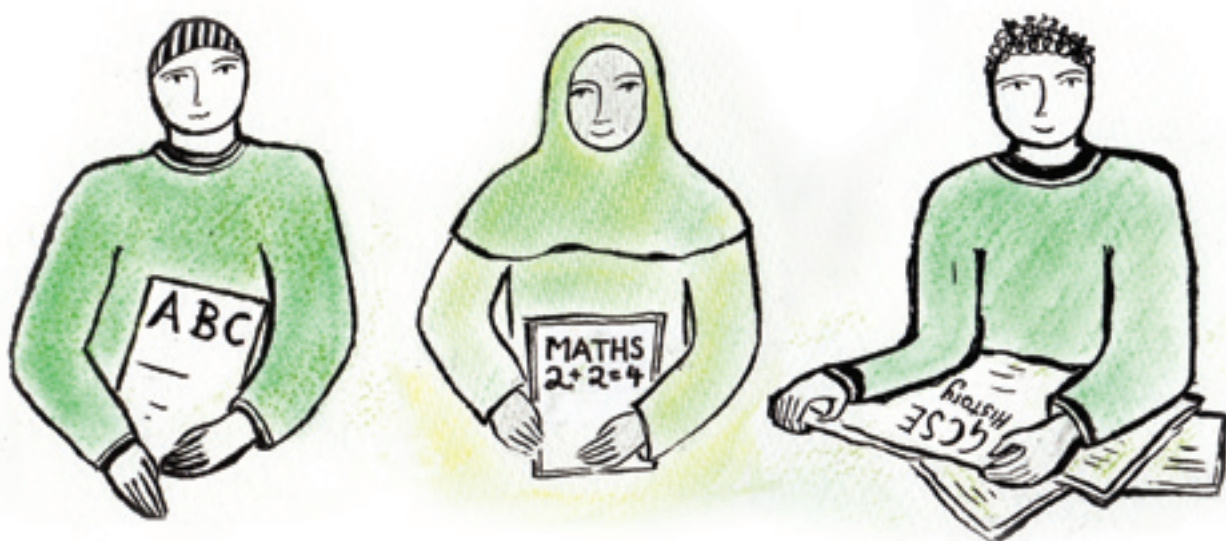
There is a continued commitment to employee involvement throughout the organisation. Employees are kept informed of performance and strategy through regular meetings from the Senior Management Teams throughout the year. The trading subsidiaries have an Employee Forum that represents their colleagues in a two-way communication and consultation with the company.

Equal opportunities

The Group is committed to an active equal opportunities policy. It is Group policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion.

Employees with disabilities

The Group is committed to the provision of equal opportunity with regard to employment and development of staff. It pursues a policy of equal opportunity for people with disabilities, and is committed to employment practices that ensure applicants with disabilities receive full and fair consideration for all types of vacancy, and that employees with disabilities have equal opportunities for training, career development and promotion. Any employee who becomes disabled whilst in employment will be given full support including retraining and redeployment, whenever reasonable and practicable.



Statement of Trustees' responsibilities and corporate governance

The Trustees (who are also directors of The Bell Educational Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 'The Financial Reporting Accounting Standard' applicable in the UK and Ireland. Under company law Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS102)
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the charitable Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that so far as each Trustee is aware:

- There is no relevant audit information of which the charitable Group's auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees of The Bell Educational Trust Limited on 21 May 2020 and signed on its behalf by



R C Prior
Chair of Trustees

The Bell Educational Trust Limited
Consolidated Statement of Financial Activities
(including income and expenditure account)
31 December 2019

Opinion

We have audited the financial statements of Bell Educational Trust Limited (the “parent charitable company”) and its subsidiaries (the “Group”) for the year ended 31 December 2019, which comprise the consolidated statement of financial activities including the income and expenditure account, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group’s and parent charitable company’s affairs as at 31 December 2019 and of the Group’s incoming resources and application of resources including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the Group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Trustees and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group’s future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company’s future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group associated with these particular events

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

The Bell Educational Trust Limited
Consolidated Statement of Financial Activities
(including income and expenditure account)
31 December 2019

- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the Group's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group will continue in operation.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 7 to 33 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Trustees' Annual Report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Trustees' Annual Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or
- Returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company's financial statements are not in agreement with the accounting records and returns; or

The Bell Educational Trust Limited
Consolidated Statement of Financial Activities
(including income and expenditure account)
31 December 2019

- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 33, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Seekings
 Senior Statutory Auditor
 for and on behalf of Grant Thornton UK LLP
 Statutory Auditor, Chartered Accountants
 Cambridge
 Date: 21 May 2020

	Note	Restricted Funds 2019 £'000	Unrestricted Funds 2019 £'000	Total Funds 2019 £'000	Restricted Funds 2018 £'000	Unrestricted Funds 2018 £'000	Total Funds 2018 £'000
Income from:							
Donations	4	-	-	-	-	-	-
Charitable activities	4	145	15	160	67	13	80
Language school trading activities	3	-	14,732	14,732	-	16,390	16,390
Investments	10	-	745	745	-	685	685
Total income		145	15,492	15,637	67	17,088	17,155
Expenditure on raising funds							
Language school trading activities	6a	-	13,670	13,670	-	14,881	14,881
Investment management fees		-	107	107	-	111	111
Total expenditure on raising funds		-	13,777	13,777	-	14,992	14,992
Net income after expenditure on raising funds		145	1,715	1,860	67	2,096	2,163
Charitable expenditure							
EAL Programme	6b	86	577	663	73	332	405
Criminal Justice Programme		8	267	275	-	669	669
Total charitable expenditure		94	844	938	73	1,001	1,074
Net income before gains/(losses) on investments		51	871	922	(6)	1,095	1,089
Represented by:							
Total income		145	15,492	15,637	67	17,088	17,155
Total expenditure		94	14,621	14,715	73	15,993	16,066
Net income before gains/(losses) on investments		51	871	922	(6)	1,095	1,089

	Note	Restricted Funds 2019 £'000	Unrestricted Funds 2019 £'000	Total Funds 2019 £'000	Restricted Funds 2018 £'000	Unrestricted Funds 2018 £'000	Total Funds 2018 £'000
Net income before gains/(losses) on investments		51	871	922	(6)	1,095	1,089
Fixed asset revaluation	8b	-	2,077	2,077	-	-	-
Net gains/(losses) on investments	9c	-	2,802	2,802	-	(1,475)	(1,475)
Net income/(expenditure)		51	5,750	5,801	(6)	(380)	(386)
Other recognised gains and losses							
Effect of movement in exchange rates		-	(18)	(18)	-	17	17
Net movement in funds		51	5,732	5,783	(6)	(363)	(369)
Reconciliation of funds							
Total funds brought forward		17	38,127	38,144	23	38,490	38,513
Total funds carried forward		68	43,859	43,927	17	38,127	38,144

There were no recognised gains or losses other than those included above. All income and expenditure derived from continuing activities. The notes on pages 41 to 64 form part of these financial statements.

	Note	Group 31 December		Charity 31 December	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fixed assets					
Intangible assets	8a	34	25	16	16
Tangible assets	8b	11,421	8,614	10,700	7,762
Investments	9a	22,707	19,854	24,707	21,854
Total fixed assets		34,162	28,493	35,423	29,632
Current assets					
Debtors	11	3,018	3,004	1,346	1,480
Cash at bank and in hand	18	13,020	12,698	7,116	6,824
Total current assets		16,038	15,702	8,462	8,304
Creditors: amounts falling due within one year	12	(5,998)	(5,664)	(610)	(807)
Net current assets		10,040	10,038	7,852	7,497
Total assets less current liabilities		44,202	38,531	43,275	37,129
Creditors: amounts falling due after more than one year	13	(60)	(141)	(60)	(141)
Provisions for liabilities	14	(215)	(246)	(215)	(246)
Net assets		43,927	38,144	43,000	36,742
The funds of the charity					
Unrestricted funds	15				
Income fund		699	664	513	156
Designated capital fund		33,076	32,066	31,385	31,213
Revaluation reserve		10,063	5,356	11,034	5,356
Foreign exchange reserve		21	41	-	-
Total unrestricted funds		43,859	38,127	42,932	36,725
Restricted income funds	15	68	17	68	17
Total funds		43,927	38,144	43,000	36,742

The financial statements on pages 37 to 64 were approved by the Board of Trustees and authorised for issue on 21 May 2020.



R C Prior
The notes on pages 41 to 64 form part of these financial statements.

	Note	2019 £'000	2018 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	17	<u>626</u>	<u>(150)</u>
Cash flows from investing activities:			
Investment income		743	880
Proceeds from sale of fixed assets		-	-
Purchases of tangible fixed assets		(1,025)	(809)
Purchases of intangible fixed assets		(22)	(2)
Net cash provided by investing activities		<u>(304)</u>	<u>69</u>
Change in cash and cash equivalents in the year		322	(81)
Cash and cash equivalents at 1 January		12,698	12,779
Cash and cash equivalents at 31 December	18	<u>13,020</u>	<u>12,698</u>

The notes on pages 41 to 64 form part of these financial statements.

1. Accounting policies

General information

The Bell Educational Trust Limited ('the charity') is a charity working in the UK in partnership with other organisations working with children with English as an Additional Language (EAL) and with prisoners and victims within the criminal justice system with language and literacy needs.

The charity is incorporated and domiciled in the UK. Its registered office is Hillscross, Red Cross Lane, Cambridge CB2 0QU.

Statement of compliance

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Bell Educational Trust Limited meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS102 and Accounting and Reporting by Charities: Statement of Recommended Practice.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant that require disclosure in these financial statements except as set out below:

Overage

The overage provision included within the sale contract for the development land sold over the last five years is cumulative and due for payment on the sale of the last property. As a substantial proportion of the properties have been sold and the forecast values for future sales indicate further receipts, the Trustees consider the conditions for recognising the income to date have been met.

Preparation of the financial statements on a going concern basis

There are no material uncertainties affecting the Group's ability to operate and therefore these financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the charity and all its subsidiary undertakings on a line-by-line basis. Accounting policies are applied consistently throughout the Group.

No separate Statement of Financial Activities (SOFA) or income and expenditure account is presented for the charity itself, as permitted by Section 408(3) of the Companies Act 2006.

1. Accounting policies (continued)

Foreign currencies

The Group's functional currency and presentation currency is the pound sterling.

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to net income in the statement of financial activities.

The results of overseas operations are translated at the average rates of exchange during the year, and the balance sheet translated into sterling at the rate of exchange ruling on the balance sheet date. Exchange differences that arise from translation of the opening net assets and results of foreign subsidiary undertakings are recorded as other recognised gains and losses in the Statement of Financial Activities as the effect of movement in exchange rates.

Revenue recognition

All income is included in the Statement of Financial Activities when the Group has entitlement to the income, any performance conditions attached to the item of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the grant, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Fees from the sale of services to third-party customers in the education sector are stated net of any applicable discounts and value added tax. Fees are recognised when the services are provided, with any fees invoiced in advance included within deferred income until the service is provided. Fees are recognised as income over the period of course delivery.

Income received in advance of the provision of the specified service is deferred until the criteria for income recognition are met.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and the right to receive payments has been established.

Funds

Unrestricted funds which have not been designated for other purposes are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds are amounts that have been set aside at the discretion of the Trustees for a specific, but not legally binding, purpose and include the Capital Fund.

Restricted funds are those funds that have a specific purpose within the charity's wider objectives set by the provider of the funds.

1. Accounting policies (continued)

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of the commercial language school operations and their associated support costs
- Expenditure on charitable activities includes the costs of service delivery and grants made to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and governance costs that support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated is set out in note 6.

Operating leases

Rentals payable under operating leases are charged through the net income/expenditure part of the Statement of Financial Activities on a straight-line basis over the terms of the leases.

Taxation

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax has not been booked in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1. Accounting policies (continued)

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase price if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Intangible fixed assets and amortisation

Software is stated at cost less accumulated amortisation. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Amortisation is provided to write off the asset on a straight-line basis at an annual rate of 20% on cost.

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives on a straight-line basis. It is calculated at the following rates:

Asset category	Annual rate
Fixtures, fittings and equipment	
• Furniture and equipment	- 20.0%
• Computer equipment	- 33.3%

Operational property fixed assets are included at open market value. These revaluations result in the revaluation reserve, and movements are reflected in the other comprehensive income within the Statement of Financial Activities. Operational properties are depreciated over their estimated economic life on a straight-line basis as follows:

Freehold land	- 0%
Freehold buildings	- 2% on cost

Investment asset

Investment property is recognised at its fair value at the balance sheet date using a professional valuation.

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing mid-market bid value.

The Statement of Financial Activities includes the net unrealised gains and losses arising on revaluation and realised gains and losses arising from disposals in the year as part of the Group's net income. Realised gains and losses are calculated as the difference between the sales proceeds and the opening carrying value or the purchase value if acquired in the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and the opening carrying value or purchase value if acquired during the year.

1. Accounting policies (continued)

The Group does not enter into or acquire complex financial instruments.

The main form of financial risk faced by the Group is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equity and fixed interest investments.

Shareholdings in the subsidiary companies are stated at cost less any provision for impairment.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of trade discounts due.

Cash at bank and in hand

Cash includes cash in hand and deposits held at call with banks.

Creditors

Creditors and provisions are recognised where the Group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Under the defined contribution pension plans, the Group pays fixed contributions to a separate entity. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plans are held separately from the Group in independently administered funds.

2. Financial performance of the charity

The consolidated Statement of Financial Activities includes the results of the charity's wholly-owned subsidiaries that operate Language Schools.

The summary financial performance of the charity alone is:

		2019 £'000	2018 £'000
Income		1,607	1,488
Expenditure		(1,199)	(1,338)
		408	150
Fixed asset revaluation	8b	3,048	-
Net investment gains/(losses)	9c	2,802	(1,475)
		6,258	(1,325)
Net income			
Total funds brought forward		36,742	38,067
Total funds carried forward		43,000	36,742
		2019 £'000	2018 £'000
Represented by:			
Unrestricted income funds		513	156
Restricted income funds		68	17
Unrestricted capital funds		42,419	36,569
Total		43,000	36,742

3. Activities for raising funds – Language School

A geographic analysis of fees receivable for educational services is set out below:

	2019 £'000	2018 £'000
United Kingdom	11,022	12,868
Europe	3,504	3,304
Middle East and North Africa	-	-
Far East	206	212
Rest of World	-	6
Total	14,732	16,390

Fees receivable in the UK relate to educational services delivered in the UK to students, primarily from overseas, who in 2019 represented 98 (2018 – 91) different nationalities from around the world.

4. Income from charitable activities

	2019 Restricted £'000	2019 Unrestricted £'000	2019 Total £'000	2018 Total £'000
Donation	-	-	-	-
Fees for charitable activities	145	15	160	80
Grants	-	-	-	-
Total	145	15	160	80

All income from charitable activities arose within the United Kingdom.

5. Staff and Trustee costs

	2019 £'000	2018 £'000
Staff costs consist of:		
Wages and salaries	5,630	5,741
Social security costs	615	602
Other pension costs	145	123
Total	6,390	6,466

The Group operates a defined contribution stakeholder pension scheme on behalf of its employees. The other pension costs disclosed above represent contributions payable by the Group to the scheme for the year. Contributions amounting to £2,115 (2018 – £1,140) were outstanding at the year end and are included in creditors.

The monthly average number of employees, excluding Trustees, during the year was:

	2019 No.	2018 No.
Commercial language school operations		
Tutorial and academic support	108	117
Office, management and ancillary	65	71
Charitable activities	14	11
Total	187	199

5. Staff and Trustee costs (continued)

The number of employees within the Group with benefits (excluding pension contributions) of more than £60,000 in the year are analysed in the following bands:

	2019 No.	2018 No.
£60,000 - £69,999	2	1
£80,000 - £89,999	2	1
£90,000 - £99,999	1	-
£110,000 - £119,999	-	2
£120,000 - £129,999	-	1
£150,000 - £159,999	1	-
£200,000 - £209,999	1	-

Pension contributions of £5,090 (2018 – £1,100) were paid on behalf of the highest-paid employee in the Group. Pension contributions of £40,450 (2018 – £12,005) were paid, in total, on behalf of all employees in the Group earning more than £60,000 per annum.

The key management personnel of the parent charity comprises the Foundation Director, the Chief Financial Officer and the Head of the EAL Programme. The total employment benefits of the key management personnel of the charity were £216,491 (2018 – £192,804).

The key management personnel of the Group comprises those of the charity and the key management personnel of its wholly-owned subsidiary Bell Educational Services Ltd. The key management of Bell Educational Services Ltd are its directors, whose employee benefits total £439,218 (2018 – £283,462). The employee benefits of key management personnel of the Group were therefore £655,709 (2018 – £476,266).

The highest-paid employee within the Group received emoluments of £201,380 (2018 – £126,988), the increase reflecting that there is a long term incentive plan in place for directors of the trading subsidiary, Bell Educational Services Ltd, and at the end of 2019, this plan vested for one director.

No Trustee received remuneration or accrued any form of retirement benefit during the current or previous year.

Trustees' out-of-pocket expenses for travel and subsistence of £5,484 (2018 – £7,395) were reimbursed during the year to nine (2018 – nine) Trustees. Indemnity insurance premiums of £6,801 (2018 – £6,801) were paid on behalf of Trustees and officers of the charity during the year. These premiums were paid by the charity on behalf of the Trustees and officers in order to indemnify them against personal liability from acts conducted in the performance of their duties. No Trustee received payment for professional or other services supplied to the charity (2018 – £nil).

6. Analysis of resources expended

a. Activities for generating funds – language schools

	2019 £'000	2018 £'000
Direct cost of language education	7,955	9,019
Administrative expenditure	5,449	5,551
Depreciation of freehold language school buildings and related assets	115	114
Taxation (UK) (see note 7)	151	197
Total	13,670	14,881

b. Charitable activities

	Criminal Justice Programme	EAL Programme	Total	Criminal Justice Programme	EAL Programme	Total
	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Grants	60	-	60	435	(236)	199
Programme delivery	111	455	566	95	363	458
Support costs	56	111	167	54	109	163
Governance costs	48	97	145	85	169	254
	275	663	938	669	405	1,074

The EAL Programme expenditure includes £86,000 (2018 – £73,000) from restricted funds. The Criminal Justice Programme expenditure includes £8,000 (2018 – £nil) from restricted funds. Charitable expenditure, including the allocation of support and governance costs for the ESOL Programme will not occur until 2020 when the programme begins activities.

6. Analysis of resources expended (continued)

c. Grants

The grant commitments made during the year in furtherance of the charity's objects and for public benefit were as follows:

	2019 £'000	2018 £'000
EAL Programme		
Education Endowment Fund ¹	-	(194)
Oxford University ²	-	9
Kings College London ³	-	(49)
	<hr/>	<hr/>
	-	(234)
Criminal Justice Programme		
Hibiscus Initiatives	-	60
The Reading Agency	-	48
Shannon Trust	60	60
Victim Support	-	50
Harrow Law	-	37
Institute for Crime and Justice Policy Research at Birkbeck University ⁴	-	180
	<hr/>	<hr/>
	60	435
Grants previously awarded not utilised	-	(2)
	<hr/>	<hr/>
	60	199

¹ Originally a 2017 commitment, this was a further grant, part of a co-funded project. Following a review of evidence received during 2018, it was decided to conclude the project early without entering the final stage to which the 2017 commitment related, and was thus written back in 2018.

² The 2018 entry relates to a 2017 grant reflecting the adjustment to the final commitment made.

³ The 2017 grant was subsequently reclassified as a contract in 2018. As such, the grant commitment was de-recognised, and the contract expensed through charitable expenditure.

⁴ Formerly 'Institute for Criminology Policy Research at Birkbeck University'

6. Analysis of resources expended (continued)

d. Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs that relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the two charitable activities undertaken in the year. The table below sets out the basis for apportionment and the analysis of the support and governance costs.

	General support £'000	Governance function £'000	Total £'000	Basis of apportionment
Salaries and related costs	99	42	141	Based on estimated actual time
General office costs	68	40	108	Based on staff time
Audit fees	-	19	19	Actual costs
Legal and other professional fees	-	44	44	Actual costs
Total	167	145	312	

e. Net incoming resources before other recognised gains and losses are stated after charging

	2019 £'000	2018 £'000
Depreciation of tangible assets – owned	295	255
Amortisation of intangible fixed assets	13	42
Operating lease rentals:		
Other assets	743	880
External auditor's remuneration:		
Audit of the charity's financial statements	19	13
Audit of the subsidiary financial statements	46	43
Tax compliance services	13	10
Advisory services	-	-

7. Taxation

The company is a charity within the meaning of Paragraph 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The charity incurred a tax liability of £nil (2018 – £nil). The Group was liable to taxation as detailed below:

	2019 £'000	2018 £'000
Analysis of tax charge in the year		
Current tax (see note 6a)		
Corporate taxes on profit for the year	138	197
Adjustment in respect of previous periods	-	-
Total current tax	138	197
Deferred tax – language schools (see note 14)	13	
	151	
Deferred tax – charity (see note 14)	(31)	(4)
Total taxation on profit on ordinary activities	120	193

The charge for the year can be reconciled to the income from commercial activities as follows:

	2019 £'000	2018 £'000
Profit from commercial activities before tax but after Gift Aid – continuing activities	834	1,536
Profit/(Loss) on ordinary activities at the standard rate of Corporation Tax in the UK of 19% (2018 – 19%)	158	292
Effect of:		
Expenses not deductible for tax purposes	26	17
Group income	(78)	(92)
Losses carried back to prior year		-
Adjustment from previous periods	(6)	-
Differences in overseas taxation rates	23	10
Adjustment to average rate of 20% for deferred tax	2	(4)
Deferred tax asset not recognised	(5)	(30)
Total taxation on profit on ordinary activities	120	193

8a. Intangible assets

	Group		Charity	
	Software £'000	Total £'000	Software £'000	Total £'000
Cost or valuation				
At 1 January 2019	42	42	23	23
Additions	22	22	5	5
Disposals	-	-	-	-
Written off	(18)	(18)	-	-
At 31 December 2019	46	46	28	28
Amortisation				
At 1 January 2019	17	17	7	7
Provided for the year	13	13	5	5
Disposals	-	-	-	-
Written off	(18)	(18)	-	-
At 31 December 2019	12	12	12	12
Net book value				
At 31 December 2018	25	25	16	16
At 31 December 2019	34	34	16	16

8b. Tangible assets

Group	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost or valuation			
At 1 January 2019	8,200	3,375	11,575
Additions	1,004	21	1,025
Revaluation	1,496	-	1,496
Foreign Exchange changes	-	(2)	(2)
Disposals	-	(4)	(4)
Written off	-	(8)	(8)
At 31 December 2019	10,700	3,382	14,082
Accumulated depreciation			
At 1 January 2019	438	2,523	2,961
Provided for the year	143	152	295
Revaluation	(581)	-	(581)
Foreign Exchange changes	-	(2)	(2)
Disposals	-	(4)	(4)
Written off	-	(8)	(8)
At 31 December 2019	-	2,661	2,661
Net book value			
At 31 December 2018	7,762	852	8,614
At 31 December 2019	10,700	721	11,421

The Group's assets reflect the investment to buildings made in the year by the trading subsidiary. The revaluation of the Group's freehold land and buildings is thus adjusted accordingly.

8b. Tangible assets (continued)

Charity	Freehold Land and Buildings £'000	Total £'000
Cost or valuation		
At 1 January 2019	8,200	8,200
Revaluation	2,500	2,500
Disposals	-	-
At 31 December 2019	10,700	10,700
Accumulated depreciation		
At 1 January 2019	438	438
Provided for the year	110	110
Revaluation	(548)	(548)
Disposals	-	-
At 31 December 2019	-	-
Net book value		
At 31 December 2018	7,762	7,762
At 31 December 2019	10,700	10,700

Freehold buildings were revalued at 31 December 2019, on the basis of fair value by Bidwells, Cambridge, in accordance with the RICS Valuation – Global Standards 2017. Freehold land and buildings were revalued to £10,700,000 (2018 – £8,200,000) in total.

The historical cost net book value (cost less depreciation) of the freehold land and buildings and investment property (see note 9a) is £5,661,061 (2018 – £5,800,023). Depreciation is provided for on freehold buildings at valuation in accordance with FRS102. The Trustees are not aware of any events or transactions since the balance sheet date that necessitate a revision of the values stated.

9a. Investments

	Investments 2019 £'000	Investments 2018 £'000
Group		
Market value at 1 January	19,854	21,610
Additions to investment at cost	-	-
Net income retained	(101)	(298)
Net gain/(loss) on revaluation	9c 2,954	(1,458)
Market value at 31 December 2019	22,707	19,854

Investments at fair value comprised:

	Investments 2019 £'000	Investments 2018 £'000
Group		
Property and infrastructure	1,488	1,937
Equities	19,059	16,578
Fixed interest	1,768	685
Cash	392	654
Market value at 31 December 2019	22,707	19,854

9b. Investments – Group Companies

Group company shares held by the charity comprise amounts invested in subsidiary companies.

	2019 £'000	2018 £'000
Cost at 1 January and 31 December	2,000	2,000

9b. Investments – Group Companies (continued)

Group companies

Name	Country of incorporation/ registration	Class of shares held	Percent held	Nature of business	Year end
Bell Educational Services UK Ltd (Company No. 07169627)	UK	Ordinary	100%	Language School	31 December
Bell Switzerland SA *	Switzerland	Ordinary	100%	Language School	31 December
Bell Educational Services Switzerland SàRL* (Company No. CHE 238.053.572)	Switzerland	Ordinary	100%	Dormant	31 December

*Owned by Bell Educational Services Ltd

The operations of Bell Educational Services Switzerland SàRL were transferred to Bell Switzerland SA from 1 January 2016.

Details of the net assets/(liabilities) and profit/(loss) for the year of the subsidiary companies are as follows:

	Net Assets		Profit/(Loss) for the year	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bell Educational Services Ltd	3,600	3,056	544	1,054
Bell Switzerland SA	552	660	(88)	(194)

The Bell Educational Services Ltd 2019 profit for the year includes a dividend of £412,000 from Bell Switzerland SA.

	Assets		Liabilities	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bell Educational Services Ltd	7,892	6,734	4,292	3,678
Bell Switzerland SA	1,652	2,041	1,100	1,381

Further information for material subsidiaries:

	Turnover		Expenditure	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bell Educational Services Ltd	11,228	13,088	11,120	12,534
Bell Switzerland SA	3,504	3,302	3,185	3,000

The Trustees believe that the carrying value in subsidiaries is supported by their underlying net assets.

9c. Investments – Net investment gains/(losses)

	2019 £'000	2018 £'000
Realised gains/(losses) on investments	324	(11)
Unrealised gains/(losses) on investments	2,630	(1,447)
	2,954	(1,458)
Overage (loss)/gain net of tax	(152)	(17)
	2,802	(1,475)

10. Investment income

	2019 £'000	2018 £'000
Interest receivable on interest bearing deposit accounts	72	54
Dividends	673	631
	745	685

11. Debtors

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fees receivable	418	468	-	1
Overage	1,262	1,445	1,262	1,445
Sundry debtors	407	344	46	32
Prepayments and accrued income	931	747	6	2
Amounts due from Group undertakings	-	-	32	-
	3,018	3,004	1,346	1,480

Debtors for both Group and charity includes £0 (2018 – £1,445,000) due in more than one year.

12. Creditors: amounts falling due within one year

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fees received in advance and sums due to students	3,387	3,138	-	-
Trade creditors	711	426	4	2
Amounts owed to Group undertakings	-	-	-	58
Taxation and social security costs	150	187	15	14
Corporation Tax	136	213	-	-
Other creditors	199	244	-	-
Grants payable (see below)	375	520	375	520
Accruals and deferred income	1,040	936	216	213
	5,998	5,664	610	807

The table below shows the reconciliation between grants approved and grants paid during the year.

Grants Group and charity	2019 £'000	2018 £'000
Amounts outstanding at 1 January 2019	661	948
Grants approved	60	435
Grants paid	(286)	(486)
Awarded grants not paid	-	(236)
Amounts outstanding 31 December 2019	435	661
Split as follows:		
Amounts falling due within one year	375	520
Amounts falling due after more than one year (see note 13)	60	141
	435	661

13. Creditors: amounts falling due after more than one year

Group and charity	2019 £'000	2018 £'000
Grants payable (see note 12)	60	141

14. Deferred taxation

Deferred taxation of £215,000 (2018 – £246,000) has been provided on the investment gain from overage income of £1,262,000 (2018 – £1,445,000) calculated at 17%, being the rate expected to be in force when the timing difference reverses.

Deferred tax amounts not recognised (at the closing rate) are as follows:

	2019 £'000	2018 £'000
Fixed assets	24	(7)
Timing differences – trading	(11)	(3)
Losses	-	-
	(13)	(10)

15. Statement of funds

	Group				Restricted funds	Total funds
	Income fund	Unrestricted funds		Foreign exchange reserve		
	Capital fund	Revaluation reserve				
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2019	664	32,066	5,356	41	17	38,144
Incoming resources	15,492	-	-	-	145	15,637
Resources expended	(14,621)	-	-	-	(94)	(14,715)
Transfers between funds	(838)	838	-	-	-	-
Fixed asset revaluation (8b)	-	-	2,077	-	-	2,077
Investment gains (9c)	-	172	2,630	-	-	2,802
Change in value of net investment in overseas subsidiary as a result of movement in exchange rates	2	-	-	(20)	-	18
Transfers between funds on realisation	-	-	-	-	-	-
At 31 December 2019	699	33,076	10,063	21	68	43,927

15. Statement of funds (continued)

	Charity				
	Unrestricted funds		Restricted funds	Total funds	
	Income fund	Capital funds			
		Capital fund	Revaluation reserve		
	£'000	£'000	£'000	£'000	
At 1 January 2019	156	31,213	5,356	17	36,742
Incoming resources	1,462	-	-	145	1,607
Resources expended	(1,105)	-	-	(94)	(1,199)
Transfers between funds	-	-	-	-	-
Fixed asset revaluation (8b)	-	-	3,048	-	3,048
Investment gains (9c)	-	172	2,630	-	2,802
Transfers between funds on realisation	-	-	-	-	-
At 31 December 2019	513	31,385	11,034	68	43,000

The Unrestricted Income Fund represents the free funds of the charity that are not designated for specific purposes.

The Restricted Funds are funds held for specific purposes in connection with the EAL Programme.

Capital Funds include the unrestricted capital fund representing the cost of assets held for investment purposes by the charity and the statutory revaluation reserve.

16. Analysis of net assets between funds

	Group					
		Unrestricted funds			Restricted funds	Total funds
	Income fund	Capital funds		Foreign exchange reserve		
	Capital fund	Revaluation reserve				
	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December 2019 are represented by:						
Intangible assets	34	-	-	-	-	34
Tangible fixed assets	-	3,997	7,424	-	-	11,421
Investments	-	20,068	2,639	-	-	22,707
Net current assets	725	9,226	-	21	68	10,040
Creditors due after more than one year	(60)	-	-	-	-	(60)
Provision for liabilities	-	(215)	-	-	-	(215)
Total net assets	699	33,076	10,063	21	68	43,927

16. Analysis of net assets between funds (continued)

	Charity			Restricted funds	Total funds
	Unrestricted funds				
	Income fund	Capital funds			
	Capital fund	Revaluation reserve			
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December 2019 are represented by:					
Intangible assets	16	-	-	-	16
Tangible fixed assets	-	2,305	8,395	-	10,700
Investments	-	22,068	2,639	-	24,707
Net current assets	557	7,227	-	68	7,852
Creditors due after more than one year	(60)	-	-	-	(60)
Provision for liabilities	-	(215)	-	-	(215)
Total net assets	513	31,385	11,034	68	43,000

17. Reconciliation of net income to net cash provided by operating activities

	2019 £'000	2018 £'000
Net income/(expenditure) for the year	5,783	(369)
Adjustments for:		
Depreciation of tangible fixed assets	295	255
Amortisation of intangible fixed assets	13	42
(Gains)/Losses on investments	9c (2,954)	(1,458)
(Gain) on fixed asset revaluation	8b (2,077)	-
Interest received	(743)	(880)
Decrease/(Increase) in debtors	(14)	(23)
Increase/(Decrease) in creditors and deferred income	253	(926)
Other non-cash changes	70	293
Net cash inflow from operating activities	626	(150)

18. Analysis of cash and cash equivalents

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Cash in hand	13,020	12,698	7,116	6,824
Total net assets	13,020	12,698	7,116	6,824

19. Commitments under operating leases

As at 31 December 2019, the Group's future minimum operating lease payments are set out below:

	Land and Buildings		Other	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Within one year	467	677	41	33
In two to five years	998	1,001	27	5
In more than five years	658	883	-	-
	2,122	2,561	68	38

20. Capital commitments

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Capital expenditure contracted but not provided	23	8	-	-

21. Related party disclosures

There were no related party transactions in 2019 or 2018 with Trustees.

In 2019, the following transactions took place between the charity and the Group subsidiaries:

- Lease of premises by the charity to Bell Educational Services Ltd for educational and accommodation purposes £561,000 (2018 – £561,000)
- Bell Educational Services Ltd has the right to use the Bell name and logos under a royalty agreement £141,020 (2018 – £159,072)
- Provision under an agreement of premises and other support services by Bell Educational Services Ltd to the charity £52,793 (2018 – £64,231)
- Recharge of costs incurred on behalf of Bell Educational Services Ltd by the charity £27,247 (2018 – £26,184)

The following balance was outstanding at 31 December 2019 in respect of the above transactions: £22,909 due to the charity (2018 – £21,367 due to the charity).

22. Legal status

The charity is a company limited by guarantee with no share capital. In the event of the charity being wound up, the liability of each member in respect of the guarantee is limited to £1.

23. Post balance sheet event

On 11 March 2020, the World Health Organisation declared Covid-19 a pandemic. Subsequently the UK government announced lock down and social distancing measures. These are having a material impact on the operations of the Foundation's trading subsidiary, resulting in a material uncertainty at the time of signing the accounts. The annual report and accounts herein are for the period to 31 December 2019. At that time the pandemic was not known and thus the event is treated as non-adjusting.

ADMINISTRATIVE INFORMATION

Registered office

Hillscross, Red Cross Lane, Cambridge CB2 0QU

Charity number

311585

Company number

1048465

Independent Auditors

Grant Thornton, 101 Cambridge Science Park, Milton Road, Cambridge CB4 0FY

Bankers

Barclays Bank Plc, Mortlock House, Vision Park, Histon, Cambridge CB24 9DE
Nationwide Building Society, Kings Park Road, Moulton Park, Northampton NN3 6NW

Solicitors

Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH

Investment Managers

Barclays Wealth, 1 Churchill Place, Canary Wharf, London E14 5HP
Investec, 30 Gresham Street, London EC2V 7QN